In the Supreme Court of the United States

OCTOBER TERM, 1963

No. 878

THE GENERAL TIRE & RUBBER CO., PETITIONER

v.

THE HONORABLE R. DORSEY WATKINS

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

MEMORANDUM FOR THE UNITED STATES

Petitioner asks this Court to review a decision of the court of appeals (see Pet. 4a–8a) upholding the district court's denial of petitioner's motions (1) to transfer to another district an action pending in the District of Maryland, and (2) to add the United States as a "necessary" party to that action, pursuant to Rule 19(b), F.R. Civ. P. Although we believe that the courts below were correct in their disposition of both motions, we limit our discussion here to the second motion, since it directly affects the interests of the United States.

The subject-matter of the underlying action dates back to the period during and following the Second World War, when the government con-

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tracted with various rubber manufacturing companies, including petitioner, for the operation of government-owned synthetic rubber plants and for the conduct of synthetic rubber research. Pursuant to these contracts, the United States was given a royalty-free license in any resulting inventions and the right to nominate other licensees. Following the war, these plants were sold to private companies, and the purchasers were nominated licensees with respect to inventions developed under the various government research contracts, including the one held by petitioner.

In 1960, petitioner secured a patent on an alleged invention made during the term of its government research contract. It then brought a series of patent infringement actions against other rubber manufacturers in the United States District Court for the Northern District of Ohio (Civil Action Nos. 36564, 36565 and 36799). In addition, one of these companies filed a related declaratory judgment action against petitioner in the United States District Court for the District of Maryland (Civil Action No. 12932). The present proceeding arises out of this latter action.

At one stage of the Maryland proceeding (the suit against petitioner for a declaration of the invalidity or non-infringement of petitioner's patent), petitioner filed a motion to dismiss on the ground that the United States was an indispensable party. This motion was denied by the respondent District Judge on the ground that "the Court can determine whether or not the Plaintiffs or either of them have or has a royalty-free license in the United States without the joinder of the United States."

Petitioner thereafter filed an independent action against the United States in the District of Maryland (Civil Action No. 14333), purporting to sue the United States both in its own capacity and as representatives of a class composed of all government nominees claiming royalty-free licenses, for declaratory judgment as to the nonexistence of such licenses. The respondent judge granted the government's motion to dismiss this separate action, holding (1) that there was no justiciable controversy because the United States had never asserted or threatened to assert a license claim, and (2) that in any event the court would exercise its discretionary power to refuse to entertain a claim for declaratory relief since the private parties directly concerned had litigation pending against petitioner. Petitioner then filed a motion in the district court for rehearing and reconsideration.

Instead of awaiting the decision on its motion for rehearing and reconsideration and proceeding further, if necessary, in that case, petitioner then filed an additional motion in the District of Maryland Civil Action No. 12932, the earlier declaratory judgment action against it which it had unsuccessfully sought to dismiss on the ground that the United States was an indispensable party. In addition to renewing an earlier transfer motion, petitioner moved to join the United States as a "necessary" party pursuant to Rule 19(b), F.R. Civ. P. Respondent denied this motion both from the bench (Pet. 11a), and in a later memorandum opinion (Pet. 10a), holding that the

United States was not a "necessary" party to the action, as the term is used in Rule 19(b), and that in any event petitioner was merely attempting to circumvent the court's dismissal of its separate action against the United States (District of Maryland Civil Action No. 14333). Respondent also denied petitioner's transfer motion (Pet. 8a–10a).

Petitioner then sought review in the court of appeals by writ of mandamus, but the court refused to issue the writ (Pet. 4a–8a). In addition to upholding the respondent's refusal to transfer the case (Pet. 7a–8a), the court of appeals ruled that respondent had not abused the discretion conferred by Rule 19(b) in refusing to join the United States as a "necessary" party (Pet. 7a). It is from this determination that petitioner seeks to invoke this Court's power of review.

1. Confining ourselves to respondent's refusal to join the United States as a "necessary" party under Rule 19(b), it is clear that the decision below upholding that determination presents no question warranting further review by this Court. Rule 19(b) defines "necessary" parties as those who, although not indispensable, "ought to be parties if complete relief is to be accorded between those already parties." The determination as to whether full relief can be granted, and consequently whether a party is "necessary" or not, is, as the court of appeals correctly held, left to the discretion of the district court. Cf. *Janousek* v. *Wells*, 303 F. 2d 118, 122 (C.A. 8). That discretion was exercised here, and fully reviewed and confirmed

by the court of appeals.[1] No question of general or future significance is thus presented by the petition.

2. The decision below is also clearly correct. The United States has never had a direct or pecuniary interest in this complex patent litigation between private parties. Petitioner has sought as a matter of convenience, to maintain a so-called "class action" against the United States, apparently in hopes of avoiding the burdens of the several private suits in which it is involved. But the only connection of the government with this suit is the fact that the claims of the private parties have their origins in government contracts. If this were sufficient ground for joining the United States in private litigation, the government would find itself involved in a multitude of suits in which it has no pecuniary interest. The full answer to petitioner's argument is that the United States has neither an immediate or direct interest in the outcome, nor the power, as a party, to affect the relief finally accorded to the private parties.[2]

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[1] We argued to the court of appeals that a refusal to issue the writ would be justified on the ground that Rule 19(b) motions, because addressed to the sound discretion of the district court, are not reviewable by mandamus. See *Roche* v. *Evaporated Milk Ass'n*, 319 U.S. 21, 26; *United States ex rel. McLennan* v. *Wilbur*, 283 U.S. 414, 420.

[2] There is no merit to the suggestion that the decision below is in conflict with settled law (Pet. 7–8). None of the cases cited by petitioner hold that a court of appeals *must* issue a writ of mandamus to compel a district court to join, as a "necessary" party, one whose presence the district court has determined is not necessary to accord complete relief between existing parties. *In re Conway*, 178 U.S. 421, 425, merely holds that a court of appeals *may* use the writ to compel a

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted.

ARCHIBALD COX,
Solicitor General.

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district court to exercise jurisdiction which the latter court mistakenly finds lacking; *Shields* v. *Barrow*, 17 How. 130, reiterates the truism that a court cannot act in the absence of *indispensable* parties; and in *Stevens* v. *Bartholomew*, 222 F. 2d 804, 806 (C.A. D.C.), the court of appeals merely held that a particular party was presumptively "necessary" to decision of the case. None of these cases is inconsistent in principle with the decision below.

Nor do we agree that the court of appeals erred in relying upon *Curacao Trading Co.* v. *Federal Ins. Co.*, 137 F. 2d 911, 911 (C.A. 2), certiorari denied, 321 U.S. 765. While the *Curacao* case apparently involved permissive joinder under Rule 20, rather than necessary joinder under Rule 19, the court below properly relied upon it in view of the broad discretion invested in the district court under both rules and the proper reluctance of the courts of appeals to disturb such determinations in the absence of an abuse of discretion.